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STRATEGIC SYSTEMS:

MIS/DP GOES ON THE ATTACK

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HOW MUCH IS ENOUGH FOR STAFF?

Salaries of MIS/dp employees are climbing more slowly than they have in the past. Chances are this trend will continue.

by David Whieldon, Senior Editor

Rare is the employee who works solely for self-gratification. Maintaining the loyalties of even the most conscientious worker requires more than a pat on the back for a job well done—it also takes a generous weekly helping of cold hard cash. Indeed, next to your own salary, the market value of your employees is the most important wage information you can have. Knowing what the competition is paying helps you judge just how much you have to shell out for the brightest MIS/dp talent available.

To help you compare your company's wage policies with those of the rest of the nation, *Computer Decisions* included employee salaries in its sixth annual Salary-Status Survey. To arrive at the figures for MIS/dp employee salaries, two questionnaires were sent to 27,206 managers randomly selected from our MIS/dp readership. One questionnaire dealt chiefly with compensation both for managers and employees; the other dealt with benefits, employment status, perks, and other personal information. All questionnaires were completed by MIS/dp managers, but data were received on nearly 17,000 positions, both managerial and nonmanagerial. The managerial data were the basis for Part I of this survey (Feb. 12 issue); the employee data make up this month's Part II salary survey.

The survey reflects median salaries for regions, metropolitan areas, and types of organizations as of August 1, 1984. Data were also gathered on salaries according to sales, assets of financial institutions, and value of policies in effect for insurance underwriters. Abbott, Langer & Associates administered the survey and compiled its results. The Crete, IL, consultancy is

nationally renowned in personnel administration and industrial psychology.

One startling finding of the survey is that, in many cases, dp employee salaries are actually dropping. According to Daniel Glasner, director of technical studies at Hay Management Consultants in Philadelphia, the dp jobs being created are in the lower-paying industries, like insurance and retailing, or in industries like transportation, which tend to pay dp personnel less.

Another trend that may reduce the salaries of dp employees is increasing reluctance among employers to award bonuses to personnel who have transferred from other employers. According to Glasner: "In dp, everyone wants a bonus for going with a new employer. But such perks are rarely used."

From the periphery of metropolitan New York, the view is much the same. "Employers eyeing new recruits are willing to pay 10 percent to 15 percent over what candidates are currently earning, regardless of salary range," reports Veronica Varian, a partner in Management Recruiters of Rockland Inc., Pearl River, NY. "But applicants expect 20 percent to 25 percent more, believing they're more in demand than they really are. However," she concedes, "if a technical skill is truly in demand, employers may be more flexible."

To all appearances, though, making a move has become much less popular than it was several years ago. For instance, the Diebold Group, a New York management consultancy, reports that 90 major manufacturers in a recent survey experienced only a 5.6 percent turnover of computer personnel last year. That compares with 16 percent in 1981.

"Job-hopping is of much more concern to employers now," says Veronica Varian. "Several years ago, if a candidate had two or three jobs lasting 18 to 24 months each, it was of no concern to a prospective employer. But that kind of record isn't so easily accepted any more. Of course, an employer might take a chance on someone with rare skills."

More so than in other fields, gender is an insignificant factor in dp pay. The salary survey reveals that the majority of staff positions, from junior computer operator to project/team leader, are filled with both women and men. Not surprisingly, female employees predominate in four low-rank categories: tape librarian and lead, senior, and junior key-entry operator.

How much is enough? The survey reveals that the answer to that question varies not only from region to region, but within particular areas. The Menasha Corp., for example, a Neenah, WI, manufacturer of corrugated containers and plastics, pays about 10

SUBORDINATES' PAY BY AREA

Position	All respondents	Northeast	Boston	New York	Philadelphia	South	Washington	Florida	Midwest
Database analyst/ programmer	$36,000	$23,000	$ N/A	$ N/A	$ N/A	$28,200	$23,200	$25,000	$37,000
Project/team leader	38,750	38,750	37,000	40,280	37,493	33,850	34,454	N/A	33,603
Lead systems analyst/ systems programmer	34,000	30,000	34,000	34,000	N/A	31,000	N/A	25,094	29,000
Junior systems analyst/ systems programmer	24,000	20,000	N/A	20,000	N/A	28,000	N/A	N/A	24,000
Lead systems analyst/ applications programmer	34,000	34,000	35,427	38,675	N/A	39,700	N/A	N/A	33,787
Junior systems analyst/ applications programmer	24,629	28,000	25,000	29,350	26,000	22,750	23,000	N/A	25,000
Lead systems analyst	35,202	40,000	N/A	40,000	N/A	N/A	N/A	26,161	30,380
Junior systems analyst	27,500	27,810	N/A	28,000	25,500	30,000	30,000	17,265	27,000
Lead systems programmer	36,300	35,600	N/A	N/A	N/A	30,300	39,789	N/A	36,400
Junior systems programmer	23,115	25,000	25,000	N/A	N/A	22,000	19,000	N/A	23,115
Lead applications programmer	32,000	32,000	N/A	28,000	28,750	28,200	30,000	N/A	29,564
Junior applications programmer	22,000	21,350	N/A	22,000	20,000	20,200	20,000	14,000	22,996
Documentation specialist	17,068	15,860	N/A	N/A	N/A	14,725	N/A	N/A	21,900
User-support coordinator	24,000	25,000	24,000	25,000	17,000	19,500	N/A	N/A	22,603
Communications operator	20,965	22,100	N/A	N/A	N/A	20,965	26,000	15,700	16,878
Computer input/output control clerk	15,123	13,040	N/A	18,000	11,684	14,884	15,000	11,335	14,560
Lead computer operator	19,240	19,700	25,000	18,250	19,000	19,000	24,500	17,500	19,268
Junior computer operator	16,603	14,196	112,480	17,500	14,020	14,950	17,500	13,000	14,000
Tape librarian	13,500	15,154	N/A	N/A	N/A	14,624	20,000	N/A	14,000
Lead key-entry operator	16,000	15,672	15,000	N/A	N/A	13,504	13,881	N/A	14,291
Junior key-entry operator	12,000	13,500	N/A	17,000	8,000	8,000	13,000	8,300	13,832

Note: All figures in the tables are medians. According to statisticians, medians best show the "central tendency" in a group of data. Certain metropolitan salary medians are listed in separate columns in the "Subordinates' pay by area" table. However, regional medians also include salary data from all metropolitan areas within those regions.

percent less than do organizations in Milwaukee, which is about 100 miles south, according to Dennis B. Biederman, head of MIS at Menasha.

Of course, employees with skills that are in scarce supply command top dollar wherever they go, Biederman admits. "For high-level jobs, like project managers and perhaps senior programmers, we follow the national averages." Biederman monitors a staff of 11, losing less than one employee a year, he says.

Naturally, a salary that's fair today can seem like a pittance tomorrow. If your employees are to remain faithful, you must combat inflation and reward good work with adequate raises. Glasner of Hay Management Consultants anticipates raises of similar magnitude for all MIS/dp employees. "Our survey data suggest that salary increases for all kinds of jobs will be on the order of 6 percent to 6½ percent for 1985, though nonexempt positions are likely to be a bit lower—probably 5½ percent. Dp salaries will be within the same range." (Employees in nonexempt positions usually do routine work for hourly pay and receive overtime pay; exempt employees usually carry more responsibility and don't receive overtime pay.)

Biederman of Menasha explains how he determines annual increases: "For employees with three or more years' experience, the average increase is about 6 percent to 7½ percent. For employees with one to three years of experience, we offer double that rate, or more, because they acquire value so quickly."

Robert Paynter, director of compensation planning for the Coca-Cola Co. in Atlanta, advises: "Budget for an average 6 percent merit increase—and pay for performance, don't just keep up with inflation. If you pitch for lower raises—say, 3 percent or 4 percent, then the lowest would be 2 percent or 3 percent, which isn't very much. And the highest would be 6 percent or 7 percent—not enough to reward excellent performance. With 6 percent, though, you can give a really outstanding person 7 percent or 8 percent above that."

Paynter further points out that merit raises, more than cost-of-living raises, help employees beat inflation. He claims last year's merit increases at Coca-Cola averaged 6½ percent to 7 percent, while inflation ran at 4 percent to 6 percent. Employees who received average raises gained on inflation by about 2 percent. "When inflation went up, salary increases lagged behind, and when inflation went down, the rate of salary increases dropped more slowly," he explains.

Most companies seem to agree with Paynter, and are basing pay boosts on

Chicago	Ohio	North Central States	Southwest	Dallas-Ft. Worth	Mountain States	Denver-Colorado Springs	Phoenix	Pacific States	San Francisco-Oakland	Los Angeles-Long Beach
$37,000	$40,000	$21,400	$40,000	$48,720	$28,475	$21,239	$ N/A	$29,250	$ N/A	$30,000
36,000	32,000	29,500	45,036	52,576	35,800	44,500	33,453	42,000	29,232	39,858
N/A	27,000	25,200	35,000	N/A	N/A	N/A	N/A	37,000	N/A	N/A
N/A	24,360	29,000	N/A	N/A	N/A	N/A	N/A	40,000	40,000	N/A
27,393	33,787	24,500	N/A	N/A	32,200	N/A	30,415	27,000	18,000	N/A
26,000	24,629	20,500	22,200	N/A	26,380	26,690	N/A	20,000	15,000	20,000
35,101	27,500	N/A	52,576	52,576	40,450	40,450	N/A	39,124	N/A	39,215
27,000	24,312	N/A	39,494	39,494	25,000	N/A	25,500	22,185	22,185	19,500
40,320	33,873	36,908	39,500	N/A	36,300	N/A	36,300	37,158	N/A	N/A
29,000	23,620	20,375	28,000	N/A	23,800	N/A	29,600	26,941	N/A	N/A
33,251	27,600	22,680	34,700	48,770	30,000	N/A	N/A	35,000	43,845	N/A
23,000	21,055	25,000	25,000	39,494	23,924	23,924	19,425	25,562	25,500	25,812
N/A	N/A	N/A	14,000	N/A	N/A	N/A	N/A	21,883	N/A	21,580
22,355	26,760	23,129	20,000	N/A	23,736	N/A	N/A	28,800	N/A	31,746
16,878	N/A	N/A	16,000	N/A	20,100	N/A	N/A	27,125	N/A	27,125
N/A	15,808	13,903	13,500	13,565	14,593	15,000	18,391	17,449	17,651	14,569
20,360	17,600	16,950	18,000	N/A	22,120	N/A	22,120	19,704	N/A	18,614
15,500	12,000	19,000	15,000	13,889	16,000	15,288	16,000	15,500	N/A	15,378
N/A	12,500	12,000	N/A	N/A	14,832	N/A	N/A	N/A	N/A	N/A
15,080	15,000	16,000	15,000	N/A	15,681	N/A	N/A	16,542	N/A	16,542
12,000	10,250	10,750	20,800	N/A	12,200	13,500	N/A	14,000	N/A	14,250

*Information not available.

SUBORDINATES' PAY BY INDUSTRY

Position	All respondents	Manufacturing	Banking/finance	Merchandising	Insurance	Government	Education	Health services
Database analyst/programmer	$36,000	$ N/A*	$ N/A	$34,300	$22,000	$26,406	$27,305	$ N/A
Project/team leader	38,750	38,595	36,000	37,000	38,750	33,700	33,000	N/A
Lead systems analyst/systems programmer	34,000	36,890	34,000	34,000	30,000	35,000	28,000	27,216
Junior systems analyst/systems programmer	24,000	26,750	20,000	N/A	20,000	N/A	N/A	N/A
Lead systems analyst/applications programmer	34,000	34,000	32,200	37,575	34,000	31,595	30,415	N/A
Junior systems analyst/applications programmer	24,629	27,000	29,000	25,000	23,700	20,000	18,774	N/A
Lead systems analyst	35,202	36,000	N/A	35,202	30,400	26,292	30,000	N/A
Junior systems analyst	27,500	N/A	25,000	26,000	28,260	25,000	26,700	25,107
Lead systems programmer	36,300	36,100	39,789	32,500	40,320	33,441	36,300	N/A
Junior systems programmer	23,115	28,000	23,800	23,000	23,115	28,000	20,487	N/A
Lead applications programmer	32,000	35,000	42,000	30,635	32,000	28,750	28,000	27,000
Junior applications programmer	22,000	24,000	26,000	23,000	21,000	21,300	19,425	23,000
Documentation specialist	17,068	18,170	13,860	N/A	N/A	14,225	17,596	N/A
User-support coordinator	24,000	23,736	25,000	N/A	17,000	22,092	21,708	22,866
Communications operator	20,965	21,900	20,100	N/A	21,500	15,755	N/A	N/A
Computer input/output control clerk	15,123	16,334	12,500	14,560	11,000	16,421	14,569	12,480
Lead computer operator	19,240	21,120	19,500	17,500	20,400	19,536	18,614	16,950
Junior computer operator	16,603	15,288	13,800	14,000	16,000	19,000	13,992	15,500
Tape librarian	13,500	14,832	N/A	N/A	13,150	12,000	13,858	N/A
Lead key-entry operator	16,000	14,790	13,504	14,250	N/A	16,000	16,410	16,182
Junior key-entry operator	12,000	8,000	12,200	13,832	14,900	12,545	12,508	12,000

*Information not available.

merit rather than inflation. According to Hewitt Associates, a compensation consultancy in Lincolnshire, IL, only about 5 percent of the 689 employers it recently examined based increases on the rise in the cost of living. All others awarded raises for good performance.

Ultimately, the question of how much is enough can only be answered by consulting our tables. Briefly, here's how they're organized:

1. In the first table you'll find the job title that fits, or most closely fits, the position you're concerned about. The first column, entitled "All respondents," contains the median salary for that job category nationwide.

2. The next column will show the median salary for the position you're researching, based on geographical region.

3. The next column lists the median salary for metropolitan areas. (These tables treat both Ohio and Florida as metropolitan areas.) Not all metropolitan areas are represented because of the structure of the survey or inadequate responses.

4. The second table displays salaries by type of organization.

Comparing all the figures appropriate to your organization will give you a ballpark salary figure for the position you're concerned about. In some cases, a figure for your region and type of organization may not be available. Even so, comparison of existing figures will still yield an accurate salary figure.

In certain instances, you may have to do some creative extrapolation. For example, salaries for senior-level employees—such as senior applications programmer—were left out of the survey to make the tables more manageable. To arrive at such a figure, average the salary for a lead-level employee and a junior-level employee.

Of course, money isn't everything, and salary increases and benefits aren't the only legitimate rewards for talented subordinates. Managers should establish training and promotion plans, be liberal with compliments, pay bonuses, provide nonmonetary rewards, and build stimulation into daily tasks.

But if you notice a valued systems analysts' resume stored on a floppy disk, or a drastic improvement in your star programmer's choice of ties, consult the tables. You may persuade the employee to stay with you, if you keep your pay policies on a par with those of the competition. □

Abbott, Langer & Associates, the consultancy that conducted and compiled the Salary-Status Survey, offers a complete report of its findings. "Compensation in the MIS/dp field, Second Edition," devotes 396 pages to managerial and nonmanagerial salaries cross-tabulated by several variables. The cost is $250—minus five percent for cash—plus $3.50 for handling and shipping. It's available from Abbott, Langer & Associates, 548 First St., Crete, IL 60417, (312) 672-4200.